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HLP
22.7.47

R. Dis File No. 341
1939

Collection No.

D17

Pros. / Serial Nos. 1-5

K

Subject.

Levy of water tax on Government residential quarters

Previous References.

301/29 (1)
549/37
1028/36
491/34.
408/38. D
360/36.

Later References.

PJ 408/40
D 372/40

NOTES AND PRECIS.

2 1

D.No. 2646 S .N.1

1

S.N. 1|A (S)
F 301|29 (1)

The water tax on the quarters of the Collector and the Secretary to the Resident is calculated on the same basis and the history of the assessment is briefly as follows:-

2

In the report of the audit of the accounts of the Municipal Commission, C. & M. Station, Bangalore, for the the year 1929-30, the Audit Officer pointed out that the standard rent for the quarters of the Secretary to the Resident should be taken as a reasonable rent for assessing water tax under section 41(2) of the Bangalore Municipal Law, instead of the annual rent paid by the Secretary to ~~the Government~~ Resident. The annual,rent paid by Secretary then amounted to ₹ . 1,852 while the standard rent amounted to ₹ . 3 246.

para. 20 of note in F.301(1)-29 (S)

The water tax calculated at 6% on the standard rent of ₹ 3,246 amounted to ₹ . 194-12-2 while the ~~calculation~~ tax based on the annual rent actually recovered, namely, ₹ . 1,852, amounted to ₹ . 111-2-10. The former calculation resulted in an excess payment of ₹ . 83-9-4 per annum by Government. The P.M.C. observed that it would be impracticable to assess the tax on actual rent as actual recoveries were at varying percentages of the emoluments of the occupants and it would not be possible to issue bills at the proper time required by the Act. It was also pointed out by the P.M.C. that if rents were reduced in the case of buildings owned by private parties during a certain year, the Commission did not disturb the assessment for that year, but that the parties had to wait for a year for a revision of the assessment. It was suggested therefore as a compromise that in levying water tax on Government residential quarters, the average rent received should be taken as the basis for assessment always subject to revision once every three years . This was accepted and is the practice now being followed.

S.N. 8 (S)
F. 301-29(1)

* S N. 11 (S)
— do —

3 Now that water tax is being paid by the occupant instead of by the Government, the P.M.C . seems to be right in saying that it is unfair to make Mr. Carleston pay tax on a valuation determined by the salary drawn at higher rates by his predecessors. This argument applies with e·ual force in the case of the Secretary to the Resident also.

Para 2 supra A/5 The objection raised by the ~~Hon~~ P.M.C . in 1931 that it would ~~not~~ be impracticable to assess tax on the actual rent can be overcome without much difficulty in the case of residential quarters occupied by Government servants. The actual rent payable by the Secretary to the Resident or the Collector per annum can be calculated in advance as soon as they assume charge, and when this figure is intimated to the P.M.C. in advance,he can issue bills at the proper time.

5 The Executive Engineer is in charge of residential buildings, When a change of occupancy occurs, the Ex. Engr. can in consultation with the officer concerned calculate the rent payable by the occupant for a complete year or a part of the year as the case may be and intimate the same to the P.M.C. He can then prepare the bill and forward it to the officer concerned in due time

6 The Secretary to the Resident has been paying water tax on his quarters from the 9th Feby. 1938, on the valuation determined by the salary of Major Edwards. The tax calculated on the average rent paid by Major Edwards amounts to Rs . 76-3-2 per annum. This was paid by Govt. up to 8th February 1938. From the 9th February 1938, the tax is being paid by the Secretary himself, under the revised orders. If from this date the tax is calculated on the actual rent paid by the present Secretary, the tax payable by him will amount to Rs . 54-1-8 per annum. If the new system of assessment proposed for the Collector

is accepted and the same system is applied in the case of the Secretary to the Resident, the present Secretary will have to get a refund of $. 22-1-6 towards the accounts for 1938-39, and he will gain $. 20/- in the tax payable in 1939-40.

7. If approved the P.M.C. may see the above notes U.O. for any remarks which he may wish to offer.

KIC 5.4.39

VR 18.4.39

Secy 8

The question is what is the best interpretation of "the gross annual rent for which buildings and lands liable to taxation may reasonably be expected to let, and in the case of houses, may be expected to let unfurnished". See 41(2) B.M. Laws. In the case of a Govt. residential building the actual rent payable by the occupant appears to be the most reasonable figure, as Govt. takes the rent which it considers reasonable. This would mean a revision every year. I don't want to raise this in my case or Cuttenbrook's case, unless F.A. thinks it reasonable; I don't know if it has to go before the Commissioner, or what their views would be: but as far as I can see, it makes no financial difference to them. The present arrangement merely means that I pay rather more

4

4 In case my award should be a bit severe one, he would have rather low. In the long run it must work out the same. F.A. may see first

H Rudra
19/4/39.

F.A. 4/5.

9 1/ It seems to me that the words 'gross annual rent for which buildings and lands liable to taxation may reasonably be expected to let' in Section 41(2) of the Bangalore Municipal Law should normally be interpreted to mean the gross annual rent which they may fetch in the open market and not merely the rent recovered by government (in the case of government residences), which may vary according to the circumstances of each case e.g. 10% of Salary, ~~and~~ 5%, standard rent or no rent. Government have no doubt their own very good reasons for recovering different rents from different persons but the Municipality is not concerned with them and cannot lose on this account. It is concerned only with the gross annual rent which a building may reasonably fetch which will depend on accomodation provided and locality and not on individual tenants.

10 2/ However, so far as the present cases are concerned it appears not necessary to enter into a discussion of the above

above point, as the Municipality has already adopted the average rent actually received by government as the basis of assessment irrespective of the fact whether the rent is normal or concessional. The average of 3 years actuals was adopted as it was considered impracticable to assess on the actual rent payable each year. This did not matter materially so long as the tax was borne by government. Now that the incidence has been transferred to individual govt. servants the results are inequitable as pointed out in P.U.C. and by Secretary. I agree that it is certainly not fair to recover water tax from one incumbent on the basis of rents paid by his predecessors, and that a more equitable way of distributing incidence would be to revise the assessment every year on the rental to be realized from the actual incumbents in the year. This will not make any difference to the Municipality as the amounts recovered will be the same in the long run.

11 3 There are, however, practical difficulties in working out the rents likely to be realized in a year and intimating the same to the Municipality in time for making their usual annual demand. A change of incumbency might happen in the course of the year which might not have been foreseen at the time of intimation to the Municipality. Even where it is known that a change is to take place, the name of the

incoming

incoming incumbent, his pay & the exact date of his assumption of charge will not all be known in time for determination of the rent that will be paid by him. In such cases, the figure can only be estimated.

12 4 There is also the question as to the rate at which recovery should be made from monthly bills where there are two incumbents in a year. The demand fixed by the Municipality is annual, though paid in two instalments. The payment is made by government in the first instance and subsequently recovered from pay bills. If the monthly recovery is fixed at 1/12th of the annual demand, the distribution between the two incumbents will not be proportionate to the rent paid by them which is the object ~~aimed~~ aimed at. If recovery is made at 6% of rent paid by each incumbent, the recovery made by government for the year as a whole may be more or less than the payment to the Municipality, due to variation from expectation at the time our estimate of annual rent is computed.

13 5 Perhaps a better and more practicable method of assessment would be to fix the demand on the average rent realizable from the Secretary and the Collector on the basis of average pay of the posts. Thus the average pay of the Collector's post is Rs.1,848/- and of the Secretary's post Rs.1,722/- (these are the figures adopted for proforma accounts) and

the

the average rents realizable will be

10% of 1,848 = Rs.185/-

& 5% of 1,722 = 86/-

14 6 On this basis the water tax payable at 6% will be Rs.133/- and Rs.62/- respectively per annum and all incumbents of the same post will have to pay the same amount which may be recovered in 12 instalments from monthly pay bills.(If at any future time the Secretary happens to be one required to pay 10% of Salary as rent instead of 5% the demand may be revised in respect of his quarters. This is not likely to happen for some years).

15 7 The sanction of the Municipal Commission would not appear necessary for the change proposed, as no material change in principle is involved and financially it will make no difference to the Municipality in the long run.

16 8 The decision, if any, now taken may be given effect to only for the future and it would not seem reasonable to ask the Municipality to give retrospective effect to it.

Sec. 29.5.39

J. N. Rajagopalan 29.4.39

17 I have no personal interest in the matter, & suggest that P.T.C. should decide it in conjunction with F.A. whose suggestion appears to me to be suitable

P.T.C.06.

A.R. 11/5/39.

MUNICIPAL & MILITARY No. Ge. 35/39. 12 MAY 1939

8

18

There is no objection to adopt F.A's suggestion.

C Ramdas.
for President.

20.5.39

The Secretary to the Hon'ble the Resident.

U.O. Ft. 35/39 dt 18/5/39 -

OFFICE OF THE
HON'BLE THE RESIDENT
IN MYSORE AT BANGALORE.
20 MAY 1939
Diary No. 5755
File No.

Recd: 24/5

19

Draft submitted.

K.I.C. 25.5.39

J. N. Rajagopalan 30.5.39

27.5.39

F.A. 31.5.39

3/6/39

Resident

approved 9/6/39

S.N.(3)

Issue

D.No. 6443 S.N.3

The idea was that the revision need not refer to past assessment but should apply to future years. As however the decision was communicated early during the current year, it is reasonable that the revision should be given effect to this year in respect of the Secy's quarters also.

In our letter dated the 8th April 1937, (quoted in the P.M.C.,) the assessment was no doubt fixed for a period of three years from 1937-38 to 1939-40; but the present orders are in supersession of of the orders issued in 1937 and the latter do not apply now.

The P.M.C. may be requested to revise the assessment with effect from the current year—

Draft submitted.

S.N.(4)

CORRESPONDENCE.

T.P. No. 766/37

5-8,000-4-8-1937.

CIVIL AND MILITARY STATION, BANGALORE.
MUNICIPAL OFFICE.

Dated....13/3/.....1939

From

C. F. V. WILLIAMS, ESQ., I. C. S.,

President, Municipal Commission,

Civil and Military Station, Bangalore.

To

OFFICE OF THE
HON'BLE THE RESIDENT
IN MYSORE, BANGALORE.
14 MAR 1939
Diary No. 2646
File No.....

The Secretary to the Hon'ble the Resident
in Mysore,
BANGALORE.

SIR,

Subject:-Revision of assessment (for the purpose of 6% water tax to be levied) on the Collector's Quarters for the coming three years from the 1st April 1939.

I have the honour to inform you that the time has arrived for the triennial revision of assessment on the quarters occupied by the Collector, Civil and Military Station of Bangalore, in accordance with the Secretary to the Hon'ble the Resident's letter No.594/301/1929 dated the 25th January 1932. The basis of assessment according to this letter is the average annual rent paid by the Collector for the three years previous to the year of assessment. The Treasury Officer in his letter No.R.T.5.Mis/730 dated the 27th January 1939, copy enclosed, has furnished the date. The average annual rent is Rs.2,596/- and the water tax on it at 6% amounts to Rs.155-12-2.

Water tax is now payable by the occupant, and I do not consider it fair to make Mr. Carleston pay on a valuation determined by my salary and that of Mr. MacIver, higher in both cases. I would suggest that the water tax payable on the quarters occupied by the Collector be determined in future by the pay of the occupant.

I have the honour to be,
Sir,
Your most obedient servant,

PRESIDENT, M. C.

DAW.13/3/3

Copy of letter No.R.T.5/Mis./730 dated the 27th January 1939 from Dr. N. Rajagopalan, Esq., B.A., Officer in charge of the Hon'ble the Resident's Treasury, Bangalore to the Secretary Municipal Commission, Civil and Military Station, Bangalore.

Municipal assessment - Quarters occupied by the Collector - Revision of.

In reply to your letter T.R.No.766/37 dated 7th January 1939, on the above subject, I have the honour to furnish* below the actual rent paid by the Collector, Civil and Military Station, Bangalore on the quarters occupied by him from April 1936 to January 1939 and the probables for February and March 1939:-

(Sd). J. N. RAJAGOPALAN.

TREASURY OFFICER,
BANGALORE.

*	1936-37	Rs. 2,676- 0- 0
	1937-38	" 2,550-12- 0
	1938-39 (April to Jan.39)	" 2,120- 0- 0
	Probable for February & March 39.	" 440- 0- 0
		3 | 7786·12·0
		2595-9-4

8. 13.3.39.

$\frac{6}{100} \times \frac{649}{2596} = \frac{3894}{25}$

$25\overline{)3894}\,(155\text{-}12\text{-}2$

25
139
125
144
125
19
16
304
300
4
12
48

S.N.C.

R.Dis. No. 341/39
G & A.

Dated 13th June 39

From

The Secy. to the Resident.

To

The P.M.C.
Civil & Mily Station,
Bangalore

Levy of water tax on Govt. residential quarters.

Sir,

I am directed to refer to your letter T.R. No.766/37, dated the 13th March 1939.

2. The Resident considers that the water tax on the quarters of the Secy. to the Resident and the Collector should be based on the average rent realisable from the occupants calculated on their average pay as shown below.

Name of post.	Average pay. Rs.	Rent realisable at 5/10 per cent of average pay Rs.	6 per cent water tax calculated on rent. Rs.
1. Secy. to the Hon'ble the Resident.	1722 ✓	86 ✓	62 ✓
2. Collector, C & M Station, Bangalore.	1848 ✓	185 ✓	133 ✓

I accordingly request you to fix the water tax on the quarters of the Secretar to the Resident and the Collector at Rs. 62/- and 133/- respectively subject to

revision

revision in the case of the Secretary's quarters when the incumbent of the post is one who has to pay rent at 10 % of pay instead of at 5 % as at present.

I have, etc.,

(Sd) A.J. Courtney.

Secy. to the Resident.

25. 5. 35

27. 5. 35

No.T.R.766/37. CIVIL & MILITARY STATION, BANGALORE,
MUNICIPAL OFFICE.

S.N.3

Dated 22 — 6 — 1939.

From

H. H. CARLESTON, ESQ., I.C.S.,
President, Municipal Commission,
Civil and Military Station, Bangalore.

To

The Secretary to the Hon'ble the Resident
in Mysore,
BANGALORE.

OFFICE OF THE
HON'BLE THE RESIDENT
IN MYSORE, BANGALORE.
26 JUN. 1939
Diary No. 6443
File No. R.Bi.

Subject:-Levy of water tax on Government Residential Quarters - Correspondence ending with your letter No.F.341/39/G & A dated the 13th June 1939.

I have the honour to inform you that the Water Tax on the quarters of the Collector has been fixed at Rs.133/- with effect from the 1st April 1939 as revision on these quarters is due this year.

As revision of assessment on the quarters of the Secretary to the Hon'ble the Resident is only due next year (vide your letter No.F.549/37/R.O.II dated the 8th April 1937), I presume that the proposed assessment on them is to take effect from the 1st April 1940. The bill for the current half-year has already been sent to you with this office letter No.T.R.380/39 dated the 27th May 1939.

I have the honour to be,

Sir,

Your most obedient servant,

H. H. Carleston

PRESIDENT, M. C.

DAW.22/6/39.

S.N 4

6

The reply to this communication should be addressed to the Secretary to the Resident in Mysore, Bangalore, by designation and not by name.

R. Dis. No. F. 341-39 / G & A

Issued 4/7/39

FROM

THE SECRETARY TO THE HON'BLE THE RESIDENT IN MYSORE.

To

The President, Municipal Commission,
Civil and Military Station, Bangalore.

Dated Bangalore, the 14th July 1939

Levy of water tax on the quarters of the Secretary to the Resident.

SIR,

S.N.3 I am directed to refer to your letter No.T.R.766/37, dated the 22nd June 1939.

S.N.2 549-37 S.N.2 2. Residency letter No.F.549-37/R.O.II, dated the 8th April 1937, has been superseded by my letter R.Dis.No.F.341-39/ G & A., dated the 13th June 1939. The revised assessment may therefore take effect from the current year.

3. I request you therefore to send a revised bill for Rs.31/- for the 1st half of the year 1939-40.

I have the honour to be,

Sir,

Your most obedient servant,

o/c

for SECRETARY TO THE RESIDENT.

BJ

Original ~~in R.O. D.~~Dis.File No.222/1939.

No. T.R.766/37
Enc. 1.

Civil and Military Station, Bangalore.
Municipal Revenue Department.
Dated 15-7-1939.

From

C.P.Chandran, Esq., B.A., LL.B.,
Secretary, Municipal Commission,
Civil and Military Station, Bangalore.

To

The Secretary to the Hon'ble the Resident in Mysore,
B a n g a l o r e.

Sir,

Subject:- Levy of water tax on the quarters of the Secretary to the Hon'ble the Resident - Your letter No.R.Dis.F.341-39/G & A dated the 4th July 1939.

I have the honour to forward herewith for favour of early adjustment a revised bill for Rs.31/- for the first half of the year 1939-40.

I have the honour to be,
Sir,
Your most obedient servant,

Sd. C.P.Chandran,

Secretary, Municipal Commission.

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Regd.No.7491.
Dated 21 July 1939.

BJ